




GENERAL SERVICES ADMINISTRATION PUBLIC BUILDING SERVICES SUPPLEMENTAL LEASE AGREEMENT		SUPPLEMENTAL AGREEMENT No. 2	DATE 09/14/2011
		TO LEASE NO. GS-03B-09444	PDN: PS0021067
ADDRESS OF PREMISE 1301 Wrights Lane West Chester, PA 19380-3442			
THIS AGREEMENT, made and entered into this date by and between Philip J. and Elizabeth A. Harvey DBA 1301 Wrights Lane Partners LLC whose address is c/o Venture Programs <div style="background-color: black; width: 200px; height: 20px; margin: 5px 0;"></div> hereinafter called the Lessor, and the UNITED STATES OF AMERICA, hereinafter called the Government: WHEREAS, the parties hereto desire to amend the above Lease to establish the lease term and annual rent, incorporate four (4) months of free rent, adjust the Broker Commission, and to accept the Tenant Improvement Build Out Costs and establish the lump sum payment amount. NOW THEREFORE, these parties for the considerations hereinafter mentioned covenant and agree that the said Lease is amended, effective <u>July 8, 2011</u> as follows: A. Paragraphs 2, 3 and 4 of Standard Form 2 of the Lease are hereby amended by deleting the existing text in their entirety and substituting in lieu thereof the following: "2. TO HAVE AND TO HOLD the said premises with their appurtenances for the term beginning on July 8, 2011 through July 7, 2021, subject to termination and renewal rights as may hereinafter be set forth." "3. The Government shall pay the Lessor annual rent of \$190,428.83 (Annual shell rent: \$142,000.00; Annual operating cost base: \$39,050.00 plus accrued escalations; Annual amortized tenant improvements: \$4,053.83, Building Specific Security: \$5,325.00) at the rate of \$15,869.06 per month in arrears, for years 1 through 5. The Government shall pay the Lessor annual rent of \$191,700.00 (Annual shell rent: \$152,650.00; Annual operating cost base: \$39,050.00 plus accrued escalations; Annual amortized tenant improvements: \$0.00) at the rate of \$15,975.00 per month in arrears, for years 6 through 10.			
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IN WITNESS WHEREOF, the parties/subscribed their names as of the above date.			
LESSOR: Philip J. and Elizabeth A. Harvey DBA 1301 Wrights Lane Partners LLC			
BY  (Signature)	Member <div style="background-color: black; width: 200px; height: 20px; margin: 5px 0;"></div> (Title)		
IN THE PRESENCE OF  (Signature)	<div style="background-color: black; width: 200px; height: 20px; margin: 5px 0;"></div> (Address)		
UNITED STATES OF AMERICA, Public Building Services, Real Estate Acquisition Division			
BY  (Signature)	Contracting Officer (Official Title)		

Rent for a lesser period shall be prorated. Rent checks should be made payable to:
Philip J & Elizabeth A. Harvey DBA 1301 Wrights Lane Partners LLC
c/o Venture Programs
[REDACTED]

or in accordance with the provision on electronic payment of funds."

"4. The Government may terminate this lease in whole or in part at any time after July 8, 2016 by giving at least ninety (90) calendar days notice in writing to the Lessor and no rental shall accrue after the effective date of termination. Said notice shall be computed commencing with the day after the date of mailing."

B. Paragraph 14 of the Rider to the Lease is hereby amended by deleting the existing text in its entirety and substituting in lieu thereof:

Rental shall be paid in accordance with clauses 23 and 24 of the General Conditions, GSA Form 3517, entitled "Prompt Payment" and "Electronic Funds Transfer Payment," based on the following schedule:

Years 1-5: July 8, 2011 through July 7, 2016:

Annual Shell:	\$142,000.00	(\$20.00 per RSF)
Annual Cost of Services*:	\$ 39,050.00	(\$5.50 per RSF)
Amortized annual cost for Tenant Improvements	\$4,053.83	
Amortized annual cost for BSAC:	<u>\$ 5,325.00</u>	
Gross Annual Rental**:	\$190,428.83	

Years 6-10: July 8 2016 through July 7, 2021:

Annual Shell:	\$152,650.00	(\$21.50 per RSF)
Annual Cost of Services*:	<u>\$ 39,050.00</u>	(\$5.50 per RSF)
Gross Annual Rental**:	\$191,700.00	

*Annual Cost of Services is adjusted each year in accordance with Paragraph 4.3 of the Solicitation For Offers (SFO) entitled 'OPERATING COSTS (AUG 2008).'

**Gross Annual Rental will change each year on the anniversary date of the lease as a result of the Cost of Services adjustment."

From July 8, 2016 through November 7, 2016, in accordance with lease negotiations, the Lessor shall provide free rent to the Government for the first four (4) months of Year 6 of the lease.

The parties agree that the actual amount of tenant improvements spent for construction was **\$696,038.00**. The cost of the construction and installation of the tenant improvements to the leased premises above the base building shell includes the following: the cost of all alterations outlined in the design intent drawings and construction drawings for the interior office space, the preparation of the construction drawings, all approved Change Orders, and construction administration. Of that amount, **\$16,660.70** will be amortized and the tenant improvement allowance will be partially paid via lump sum at completion of construction and shall be eliminated from the Gross Annual Rental for the full term of the lease.

Supplemental Lease Agreement (SLA) Number 1 established a lump sum payment of \$363,839.00 for Tenant Improvements. The remaining balance of **\$315,538.30** shall be paid to the Lessor in adherence to the stipulations outlined in Paragraph D below.

- C. Paragraph 15 of the Rider to the Lease is hereby deleted in its entirety.
- D. Paragraph 16 of the Rider to the Lease is hereby amended by deleting the existing text in its entirety and substituting in lieu thereof the following:

"Brokerage Commission:

In accordance with paragraph 2.2, "Broker Commission and Commission Credit" section of the SFO, Studley, Inc. is the authorized real estate broker representing GSA in connection with this lease transaction. The Lessor and Studley have agreed to a cooperating lease commission of [REDACTED] of the firm term value of this lease ("Commission"). The total amount of the Commission is [REDACTED] in accordance with the "Broker Commission and Commission Credit" paragraph of the SFO, Studley has agreed to forego [REDACTED] of the commission that it is entitled to receive in connection with this lease transaction ("Commission Credit"). The Commission Credit is [REDACTED]

The Lessor agrees to pay Studley, Inc., 555 13th Street, Suite 420 East, Washington, DC 20004, the Commission less the Commission Credit in the amount of [REDACTED] within 30 days following execution of this lease by the Government.

The shell and building specific security rental portion of the annual rental payment is (\$20.75 per RSF x 7,100 RSF = \$147,325.00 or \$12,277.083 per month) due and owing under Paragraph 16 of this Lease Rider shall be reduced to fully recapture the Commission Credit. The total reduction in shell rent related to the commission credit is [REDACTED] and shall be deducted from the first two (2) months of the rental payments as indicated in the following schedule of adjusted Monthly Rent:

-First Month's Rental Payment of \$15,869.06 minus prorated Commission Credit of [REDACTED] equals [REDACTED] as the adjusted First Month's Rent.

-Second Month's Rental Payment of \$15,869.06 minus prorated Commission Credit of [REDACTED] equals [REDACTED] as the adjusted Second Month's Rent."

- E. After inspection and acceptance of the work by the Government, a properly executed original invoice shall be forwarded to:

General Services Administration
Greater Southwest Region (7BC)
P.O. Box 17181
Fort Worth, TX 76102-0181

A copy of the invoice must also be mailed to the Contracting Officer at:
GSA, Public Building Service
20 N. 8th Street, 8th floor
Philadelphia, PA 19107-3191
Attn: Gary Eberly

For an invoice to be considered proper, it must:

- (1) Be received after the execution of this SLA,
- (2) Reference the Pegasys Document Number (PDN) specified on this form
- (3) Include a unique, vendor-supplied, invoice number,
- (4) Indicate the exact payment amount requested,
- (5) Specify the payee's name and address.

The payee's name and address must EXACTLY match the Legal Business Name or DBA associated with it in Central Contractor Registration (CCR) for the DUNS included above.

The Government shall reimburse the Lessor in a lump sum payment in the amount of **\$315,538.30**, upon receipt of an original invoice. Payment will be due within thirty (30) days after GSA's designated billing office receives a properly executed invoice or acceptance of the work by the Government, whichever is later.

All other terms and conditions of the lease shall remain in force and effect.